



Dear Colleague:

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 created a block grant to the States known as Temporary Assistance to Needy Families, or TANF. This legislation helped to transform the nation's welfare system into one that requires work in exchange for time-limited assistance. More recently, the Balanced Budget Act of 1997 authorized \$3 billion in Welfare-to-Work (WtW) grants to States and localities to support the transition of hard-to-employ welfare recipients into work.

Through the combined efforts of these initiatives, the strong economy and other factors, welfare caseloads have declined by 51 percent. Because of the new emphasis on work, many more welfare recipients are working, over 1.3 million people went to work in fiscal year 1998 alone. However, many individuals remaining on the welfare rolls have multiple barriers to employment; substance abuse and mental illness are identified as two of the most common of these barriers.

In recognition of this, the Administration for Children and Families (ACF), the Substance Abuse and Mental Health Services Administration (SAMHSA) and the U.S. Department of Labor (DOL) are collaborating on joint initiatives that address these barriers. The Federal agencies will make available information on promising models and strategies from States and local organizations that incorporate substance abuse and mental health services in their self-sufficiency programs.

The TANF program provides a great deal of flexibility for States to use Federal and State funds to develop innovative services and create new collaborative partnerships. The Administration for Children and Families published a document, "Helping Families Achieve Self-Sufficiency, a Guide on Funding Services for Children and Families Through the TANF Program," which provides suggestions for possible use of TANF funds. Among the examples in that guide are:

- Use Federal TANF funds to provide appropriate counseling services (e.g. mental health services, anger management counseling, and non-medical substance abuse counseling services) to family members with barriers to employment and self-sufficiency.
- Use Federal TANF or State Maintenance-of-Effort (MOE) funds to provide non-medical substance or alcohol abuse services, including room and board costs at residential treatment programs.
- Use State MOE funds (that have not been commingled with Federal TANF funds) to pay for medical services (e.g., for treatment of substance or alcohol abuse not covered by Medicaid) or to provide medical coverage for families that lack medical benefits (e.g., for families ineligible for transitional Medicaid or for adults whose children are served by Medicaid or SCHIP)

TANF funds can be used to provide a broad range of benefits and services without necessarily triggering time limits or work participation requirements for families. The final TANF regulations, the money currently available within the TANF system, and the changing nature of welfare caseloads have given States new reasons to revisit their welfare reform approaches and collaborate with other agencies and the community.

We want to encourage you to take advantage of the latitude States have in shaping their welfare programs to provide innovative prevention and treatment services to persons with substance abuse and mental health problems.

State drug and alcohol treatment and prevention programs are uniquely positioned to help State TANF agencies develop such initiatives. For example, in the State of South Carolina, the Department of Human Services and the Department of Alcohol and Other Drugs began formal collaborations October 1, 1999 to serve welfare clients with substance abuse problems. Clients identified with Alcohol or Other Drug (AOD) issues can enter full residential treatment programs and receive intensive case management services. TANF dollars are used to pay for room and board.

Under its Work First Substance Abuse Initiative, North Carolina outstations Qualified Substance Abuse Professionals (QSAPs) in county Department of Social Services offices. QSAPs provide assessments, referral, consultation, and client tracking to identify individuals with substance abuse and mental health issues for service intervention. The State has also implemented the Enhanced Employment Assistance Program to address job retention issues of those identified through the Work First Substance Abuse Initiative.

Other States such as Oregon, Tennessee, and Florida have spent significant TANF resources to address the needs of individuals with not only substance abuse issues, but also other barriers to employment such as domestic violence, learning disabilities, and developmental disabilities.

Similarly, the WtW program, funded by the U.S. Department of Labor (DOL), is designed to meet the needs of the hardest to serve, including those persons with mental health or substance abuse problems. WtW funds can be used so long as the services: 1) are not otherwise available;

2) are non-medical; and 3) support job retention and are provided in conjunction with, or after, placement in job readiness or a work activity. In an effort to address the under expenditure of WtW formula grants issued to States, DOL is phasing in newly amended participant eligibility requirements. These changes will enable all Welfare-to-Work competitive and formula grantees to better serve individuals with serious barriers to employment.

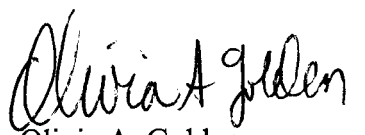
While TANF, WtW, and Substance Abuse and Mental Health programs are working to support the self-sufficiency goals of clients, mechanisms to support collaborative working relationships around shared goals are often lacking. We urge you to contact agencies in your States, counties, and jurisdictions that have a mandate or mission to address the self-sufficiency and health needs of our clients and forge collaborative partnerships among staff at all levels.

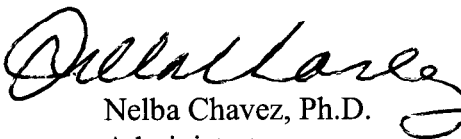
If you would like to request targeted technical assistance on substance abuse and mental health issues, you can submit a request to the ACF/OFA Welfare Peer Technical Assistance network. The network provides resources for site visits, working sessions and roundtables between States, communities and others on welfare to work issues. You can reach the network at <http://www.calib.com/peerta>.

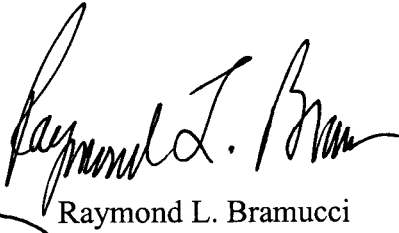
For additional information about TANF, Welfare to Work, and Substance Abuse and Mental Health, please refer to the following Federal Government web sites: <http://www.acf.gov/>, <http://wtw.doleta.gov/>, <http://www.dol.gov/dol/workingpartners.htm>, and <http://www.samhsa.gov/>. To identify treatment providers in your area, please refer to SAMHSA's new treatment locator at <http://www.samhsa.gov/oas/nationaldir/htm>.

If you are interested in following up with your State TANF or WtW agency, a list of contacts is attached. Please feel free to contact any of these sources if you have policy or program questions or would like to request technical assistance to address any of these issues.

Sincerely,


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